

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 PA-02 PRS-01 /110 W

-----240837Z 017925 /15

R 240704Z MAY 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 0483

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

USMISSION OECD PARIS

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

UNCLAS CANBERRA 3695

E.O. 11652: N/A

TAGS: EALR, ELAB, ECON, AS

SUBJ: CONCILIATION AND ARBITRATION COMMISSION ANNOUNCES

AWARDS FOR MARCH QUARTER NATIONAL WAGES USE

REF: A. CANBERRA 2579, B. CANBERRA 2258.

1. ON MAY 24, FULL BENCH OF CONCILIATION AND ARBITRATION COMMISSION AWARDED INCREASE OF 1.9 PERCENT TO ALL AWARD WAGE EARNERS EARNING UP TO ADOLS 200 PER WEEK AND A SET INCREASE OF ADOLS 3.80 PER WEEK FOR ALL THOSE EARNING MORE THAN ADOLS 200 PER WEEK.

2. COMMISSION REJECTED ARGUMENT THAT THERE SHOULD BE PAUSE IN WAGE INCREASES UNTIL AFTER END OF SO-CALLED THREE MONTH VOLUNTARY PRICE-WAGE FREEZE (REF A), ARGUING THAT WHILE THERE WAS INDEED EVIDENCE TO SUGGEST THAT SOME PRICES HAD UNCLASSIFIED

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BEEN FROZEN, SUCH EVIDENCE WAS NOT STRONG ENOUGH TO JUSTIFY CONCLUSION THAT PRICE FREEZE SUFFICIENTLY IN EFFECT TO WARRANT WAGE FREEZE. COMMISSION ALSO STATED THAT ENTIRE CONCEPT OF PRICE FREEZE POORLY DEFINED BY GOVERNMENT AND THUS IMPOSITION OF FULL FREEZE FRAUGHT WITH PROBLEMS.

3. COMMISSION DID, HOWEVER, STATE THAT IF GOVERNMENT COULD

CONVINCE IT IN FUTURE THAT THESE PROBLEMS COULD BE OVERCOME,
IT WOULD BE WILLING TO RE-EXAMINE QUESTION OF WAGE PAUSE.

4. AS DEPARMENT AWARE, INCREASE IN CPI FOR MARCH QUARTER
WAS 2.3 PERCENT. COMMISSION DECIDED, HOWEVER, ACCEPT
GOVERNMENT'S ARGUMENT THAT PRICE INCREASES AS A RESULT OF
NOVEMBER 29, 1976 DEVALUATION SHOULD BE EXCLUDED FROM
CONSIDERATION IN SETTING NEW WAGE. COMMISSION STATED THAT
AUSTRALIAN STATITICIANS HAD COME UP WITH ADMITTEDLY ROUGH
ESTIMATE THAT PRICE INCREASES OF IMPORTED GOODS CONTRIBUTED
0.39 PERCENT TO MARCH QUARTER INCREASE. IT DECIDED, THERE-
FORE, TO DEDUCT 0.4 PERCENT FROM MARCH QUATER CPI INCREASE
TO ARRIVE AT FIGURE OF 1.9 PERCENT.

5. COMMENTS: ACTU PRESIDENT BOB HAWKE SAID DURING ABC RADIO
INTERVIEW THAT IN HIS VIEW IT "WAS NOT A BAD DECISION",
ALTHOUGH HE WAS DISAPPOINTED IN THE ALLOWANCE FOR
DEVALUATION. ON A MORE POLEMIC NOTE, HE SAID THE
COMMISSION, ALTHOUGH USING APPROPRIATE JUDICIAL LANGUAGE,
"EXPOSED THE FRAUD OF THE PRICE FREEZE". HE ALSO
CHARACTERIZED THE NOVEMBER DEVALUATION AS "STUPID." SOME
REPRESENTATIVES OF THE EMPLOYER GROUPS WERE QUOTED AS SAYING
THAT AWARD WOULD FURTHER RETARD IMPROVEMENTS IN EMPLOYMENT
PICTURE AND SIGNIFIED VIRTUAL END OF PRICE FREEZE CONCEPT
AS EMPLOYEES COULD NOT BE EXPECTED TO BEAR ENTIRE BRUNT OF
LATEST WAGE DECISION. PRIME MINISTER FRASER WAS QUOTED IN
RADIO NEWS REPORTS AS SAYING THAT "THE DECISION OF THE
ARBITRATION COMMISSION CERTAINLY MEANS THAT THE FREEZE IS
OVER." HE CALLED ON EMPLOYEES AND EMPLOYERS TO LIMIT WAGE
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AND PRICE DEMANDS.
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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